



## Commonwealth of Kentucky Public Protection Cabinet

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**FOR IMMEDIATE RELEASE**

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### **ANNUAL WORKERS' COMP FILING APPROVED** **Loss costs decrease for ninth consecutive year**

**FRANKFORT, Ky. (Aug. 27, 2014)** – An annual filing most insurance carriers will use to develop rates for workers' compensation coverage shows the ninth consecutive overall decrease in loss costs, Department of Insurance Commissioner Sharon P. Clark announced today.

The 2014 filing, approved by the state Department of Insurance and effective Oct. 1, was submitted by the National Council on Compensation Insurance Inc. (NCCI), an advisory organization that is the oldest provider of workers' compensation and employee injury data and statistics in the nation.

Data collected from insurance carriers is used to develop loss costs, which are the average compensation for lost wages, based on the level of disability, plus medical benefit payments. Use of the information is voluntary but most workers' comp carriers use the NCCI loss cost values as the base to which the insurer's own loss adjustment and overhead expenses are added to arrive at the rates charged to Kentucky employers.

The loss cost figures show an average reduction of 6.9 percent for the 586 industrial classes used in Kentucky. The industrial classes include manufacturing, office and clerical, contracting, and goods and services. For coal classes, surface mining increased 3.1 percent and underground mining costs decreased 7.7 percent.

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“NCCI reports that the industry is becoming more balanced,” said Commissioner Clark. “This is good news for Kentucky as we have seen a combined reduction of 50.4 percent in the last nine loss cost filings. The combined efforts of the Beshear administration, the General Assembly, employers and employees who are excelling in safety initiatives, and successful attempts to control medical costs have resulted in a sustained, positive impact on Kentucky’s workers’ comp market.”

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